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SOURCE Ta-chung Jih-pao.

SHANTUNG GOVERNMENT PROMULGATES AGRICULTURAL TAX REGULATIONS

The Shantung government has promulgated provisional regulations gov-
erning the summer collection of the 1950 agricultural tax in old and new
liberated areas. Text of the provisions follows:

OLD LIBERATED AREAS

Section I. General Provisions

Article 1. These regulations are based on the "Decision of the Govern-
ment Administration Council of the Central People's Government Regarding
the 1950 Summer Collection of Public Grain in New Liberated Areas."

Article 2. These regulations apply to old liberated areas in which
land reform has been placed into effect.

Article 3. The agricultural tax shall be levied on all land yielding
a summer harvest and shall apply to wheat, barley, peas, summer hemp, and the
products of gardens and orchards. The summer levy shall be considered a part
of the entire year's agricultural tax.

Article 4. The tax rate of the summer levy is fixed at 13 percent of the
normal harvest of the entire province. Localities may levy an additional 15
percent in accordance with the provisions of the agricultural tax.

Article 5. For the purposes of these regulations, the household (hu) shall
be designated as the tax unit. The levy shall be applied on all household land
holdings after per-capita exemptions have been deducted.

Article 6. In the case of mortgaged property, the mortgagee shall be re-
sponsible for the tax; in cases of tenancy, tax responsibility shall be deter-
mined by consultation between owner and tenant or individually estimated on
the basis of percentage of land held in tenancy.

Article 7. The following types of land shall be exempted from payment of
the agricultural tax:

- 1 -

CONFIDENTIAL

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CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

a. Land which does not yield a harvest or yields a temporary harvest, such as homesites, roads, irrigation ditches, river beds, dikes, graveyards, and grass plots.

b. Woods, pastures, seed plots, orchards, public farms, and designated land along railroads.

c. Land allowed to lie fallow in the process of land rotation.

Article 8. The following exemptions from payment of the agricultural tax may be granted for specified periods of time:

a. Virgin reclaimed land shall be exempted for 5 years from the date on which reclamation was begun.

b. Exemption for 3 years shall be granted to those who reclaim land which had formerly been cultivated but had reverted to wasteland for a period of 4 years or more, for 2 years if the property was wasteland for 3-4 years, for one year if 2-3 years, and for 6 months if 6 months to one year; if wasteland for only one season, however, the reclaimed land shall not be exempted.

c. Exemption periods shall be granted by hsien people's governments to those who repair roadbeds or ditches in accordance with the amount of labor and capital invested by the repairer.

d. If a change of ownership occurs in the above cases during the period of exemption, the exemption shall not be renewed.

Article 9. Special districts and municipalities may determine the tax liability of land not covered in these regulations, to become effective after approval by the provincial government.

Section II. Exemptions

Article 10. All members of the agricultural population, regardless of age or sex, shall be allowed an exemption of .7 mou in computing the agricultural tax.

Article 11. Exemption /.7 mou/ shall also be granted to persons in the following categories:

a. Those now serving in the armed forces or as revolutionary workers in the /military?/ supply system.

b. Armed forces personnel and revolutionary workers who made sacrifices in the interests of the people's liberation (including those who suffered disease or severe illness as a result of their activities), veterans demobilized because of wounds, or military workers (chün-kung jen-yuan) returned home to recuperate, and those among the masses who made sacrifices in water conservancy activities or in supporting the front lines.

c. Those village cadres and persons who have received public recognition of sacrifices in leading the masses to change their way of life or in maintaining the struggle against the enemy.

d. Tradesmen, workers, the indigent, fishermen, and persons in cooperatives concerned with agricultural production who also are engaged in agriculture.

e. Those who have temporarily left home to escape famine conditions and are not supporting a family elsewhere.

f. Those who have left home but are dependent on the family agricultural production.

- 2 -

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

Article 12. Exemptions shall not be granted to persons in the following categories:

- a. Those earning a salary or wage, school teachers, students receiving public support (those partially supported may receive partial exemption), and workers in public enterprises who receive a salary or wage.
- b. Children of military personnel who receive public support.
- c. Those engaged in industry or commerce who are not also engaged in agriculture.
- d. Those who are usually away from home and are not dependent on their families (chia).

Article 13. Exemptions [7 mou] for persons in other categories shall be determined as follows:

- a. Exemption shall be granted to the family of a female military worker who has married, [and not the family of her husband].
- b. Exemption for a person who has no family but normally resides with relatives or friends shall be granted to the family in which he resides.
- c. If a hired worker or shepherd engaged in agricultural production has enjoyed such status less than 6 months, exemption shall be granted to the family of the hired worker; if more than 6 months to the family of the employer. If such a worker is employed by two families, each shall receive half an exemption. If three or more families employ such a worker, the exemption shall be granted to the family of the worker only.
- d. Exemption for heads of households who live alternately with the families of offspring shall be granted to one family only, and may not be applied for in parts.
- e. Exemptions to cultivators of land in reclamation areas shall be applied in accordance with regulations on the basis of their being members of the population of that area only.

Section III. Tax Rates

Article 14. The tax rate on the summer levy of the agricultural tax (exclusive of additional local taxation) shall be based on the number of taxable mou (total holdings less exemptions), and on the amount of surface yielding a summer harvest, in accordance with the following provisions:

- a. Tax rate: from a minimum of 3 catties per taxable mou for 20 percent of land yielding a summer harvest, the rate shall increase at a uniform rate of six additional liang [Chinese ounce, 16 liang per catty] for each additional 2.5 percent of land, to a maximum of 10 catties 8 liang per taxable mou for 70 percent or more land yielding a summer harvest.
- b. The output per mou on land yielding a summer harvest shall be fixed at a standard of 80 catties. If a normal yield is less than or exceeds this standard, a proportionate rate decrease or increase of 1.25 percent for every catty above or below the standard shall be applied on the basis of the rate scheduled indicated in Article 14a. above. Such alterations shall be approved by the special district or municipal authorities concerned, subject to review by the provincial government.

- 3 -

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

c. If the amount of land to undergo summer harvest is less than 80 percent and more than 20 percent of the amount stipulated by local authorities, the amount to be harvested shall be registered and taxed in accordance with the rate schedule indicated in Article 14a above on the basis of the actual percentage under cultivation. If the amount to be harvested is less than the minimum of 20 percent of total acreage, however, a flat rate of 10 catties per mou shall be levied on actual acreage under cultivation.

d. The agricultural tax shall not be levied on holdings of less than .2 mou per individual, regardless of the percentage to undergo summer harvest.

e. The percentage of summer harvest land shall be determined on the basis of total arable land and shall not be limited by administrative district boundary lines. The actual percentage of summer harvest land shall be determined and made effective progressively from higher authorities to lower.

f. In wheat areas the levy shall be 15 catties of wheat per mou.

Article 15. Summer harvest land cultivated by government agencies, troop units, public enterprises, cooperatives, and benevolent organizations shall be taxed at a rate of 10 catties of wheat per mou. If the land is given in rental by such organizations, tax responsibility shall be determined by mutual agreement between tenant and owner; if no agreement is reached, separate assessment shall be made by each on the basis of percentage of total holdings rented.

Article 16. In cases in which the land owner does not reside on the land, tax responsibility shall be maintained at the place of residence. If the owner resides in another province, exemption shall not be granted at the place where the land is located, and the rates indicated in Article 14 shall apply.

Article 17. Additional local taxes may be levied at a rate of 15 percent of the amount of agricultural tax per household.

Section IV. Tax Collection

Article 18. To ensure equitable tax responsibility, all land, persons, and farm animals shall be registered prior to collection and all nonarable land, such as that used in roads and water conservancy, shall be exempted.

Article 19. The summer agricultural tax shall be payable in wheat which has been sun-dried and winnowed. A portion may be paid in cash for the convenience of the masses after approval by the provincial government.

Article 20. The household shall be the unit of payment. The household shall be responsible for delivery of the tax to a granary within 50 li with no compensation for transport; compensation for transport beyond that distance shall be granted in accordance with local rates. The household shall receive a temporary receipt from the granary, and another from the tax collection agency concerned. Collection procedures shall be dealt with in separate legislation.

Article 21. If a taxpayer feels that the tax amount is too great or too little or that the tax law is being otherwise contradicted, he may, after receipt of his tax notice, appeal to the village, ch'u, or hsien governments. The government concerned shall immediately render a decision according to law, and may not delay the matter or otherwise evade its responsibilities. During the period in which the petition is being considered, however, the taxpayer shall pay the original tax at the appointed time and await settlement.

- 4 -

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

Section V. Tax Reductions and Exemptions

Article 22. Persons in the following categories shall be granted a 20-percent reduction in their summer tax, in addition to the regular exemption. If still unable to pay, such persons may be granted additional reductions or total exemption as determined by the people and approved by the ch'u government concerned.

- a. Dependents of war heroes, armed forces personnel, or workers who are unable to earn a living.
- b. Aged, weak, orphaned, or ill persons in distressed circumstances.
- c. Persons who, because of accidental natural calamities, are unable to bear the tax burden.

Article 23. Demobilized veterans and demobilized military workers who served 5 years or more and are able to offer proof of their service, and members of the militia, civilian workers, and village cadres who suffered injuries in supporting the front, water conservancy, or fighting the enemy which have afflicted their ability to work may be granted an exemption of .5 mou in addition to that allowed in Article 10 above on the approval of a government on the level of ch'u or higher.

Article 24. A tax reduction of 5 catties per head of stock shall be granted to owners of draft animals (including breeding stock) necessary to agricultural production, regardless of the size or number of such animals.

Article 25. Tax reduction shall be allowed in the case of flood, drought, insects, hail, and other natural calamities having an adverse effect on harvests, in accordance with the following provisions:

- a. The average percentage of production lost per stricken mou shall be computed for the entire household and tax reductions granted accordingly.
- b. In cases in which 30-40 percent of production has been lost, a tax reduction of 20 percent shall be allowed; 40-50 percent, 30 percent reduction; 50-60 percent, 50 percent reduction; 60-70 percent, 70 percent reduction; 70 percent or more, total exemption. Reduction shall not be allowed for losses under 30 percent.
- c. The village shall be the unit of approval for tax reductions due to natural calamities, and the household the unit for computing tax reductions. If 20 percent or less of the households are affected, approval of the ch'u government and a report to the hsien government concerned are necessary. If over 20 percent or an entire village is affected, hsien approval and notification to the special district government are required. If five or more entire villages are affected, approval of the special district and notification to the provincial government are necessary. Provincial approval is required for tax reductions involving 20 or more villages.

Section VI. Rewards and Punishments

Article 26. All cases which, on the basis of these regulations, may serve as models in such matters as tax payments, land and population registration, or tax reduction discussion shall be given suitable publicity.

Article 27. All who voluntarily confess false reports in regard to amount of land or number of persons or animals shall not be punished or required to pay back taxes.

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

Article 28. Those who render false reports or practice malfeasance in tax reductions and who, after several warnings, fail to comply, shall, after due investigation, be required to pay delinquent taxes and pay a fine. Such a fine, however, may not exceed twice the amount of the delinquency. In severe cases, the matter shall be taken to the courts for disposition.

If the case involves cadre officials, punishment in accordance with the administrative code shall be applied, in addition to fine.

The authority to impose punishments provided in this article rests with governments on the level of hsien or above.

Section VII. Supplementary Provisions

Article 29. The power to amend or interpret these regulations shall rest with the promulgating authority, the Shantung People's Government.

Article 30. These regulations supercede all other measures governing the agricultural tax.

Article 31. These regulations shall become effective on the date of promulgation.

NEW LIBERATED AREAS

Articles differing in context from provisions dealing with old liberated areas are given below:

Section I. General Provisions

Article 1. [Same as Article 1 in previous regulations]

Article 2. These regulations shall apply to new liberated areas which have not yet instituted land reform. Approval of a special district or municipality is necessary for the application [of land reform] in such areas, and notification of such action must be made to the provincial government.

Article 3. [Same as Article 3 in previous regulations]

Article 4. [Same as Article 4 in previous regulations]

Article 5. For the purposes of these regulations, the household shall be designated as the tax unit and taxable mou as the standard for taxation. The tax shall be levied according to number of agricultural persons. In areas in which there are not taxable mou [sic], 150 catties [per mou] shall be taken as the equivalent of taxable mou for the purpose of computing the tax.

Article 6. In the case of mortgaged property, the mortgagee shall be responsible for the tax.

Article 7. The tax rate indicated in Article 15 of these regulations shall apply to land held in tenancy, in accordance with the following provisions.

a. In areas in which rent reductions have been made according to law, landlords shall compute the rate on total holdings, including both rented land and self-cultivated land. On the rented portion, the landlord shall be liable to tax on that percentage of summer harvest land whose output is paid as rent; the tenant shall be responsible for one catty of wheat for each 10 percent of the remainder (e.g., if 70 percent of the output of one mou of rented land remains after rent has been paid, the tenant shall be liable for 7 catties).

- 6 -

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

b. The landlord shall be solely responsible for the payment of the summer levy if rent reduction according to law has not yet been enforced.

c. If, after the landlord has reduced rents, the tenant cannot pay rent because of natural calamities affecting his harvest, taxes on such land may be remitted.

d. If the rent is collected by an agent, the tax shall be computed for a single person and paid through the agent.

Article 8. /Same as Article 7 in previous regulations/

Article 9. /Same as Article 8 in previous regulations/

Article 10. /Same as Article 9 in previous regulations/

Section II. Computation of Population

Article 11. All members of the agricultural population, regardless of age, sex, shall be liable to tax within their respective families.

Article 12. All persons in the following categories shall also be liable to tax within their respective families:

a, b, c, d, e, and f. /Same as a, b, c, d, e, and f under Article 11 in previous regulations./

Article 13. All persons in the following categories shall not be considered as part of the taxable populations:

a, b, c, and d. /Same as a, b, c, and d under Article 12 in previous regulations/

Article 14. Liability of those in other categories shall be determined in accordance with the following stipulations:

a. A female military worker who has married shall still be counted as a member of her family.

b. A person who has no family but normally resides with relatives or friends shall be counted as a member of the family in which he resides.

c. A hired worker or shepherd engaged in agricultural production less than 6 months shall be counted as a member of the family of the hired workers; if more than 6 months, of the family of the employer. If such a worker is employed by two families, each hiring family may claim half an exemption; if by three or more families, he shall be counted as a member of the worker's family only.

d. A head of a family who lives alternately with the families of offspring may be counted as a member of one family only, and may not be counted partially in each.

e. One who cultivates land in a reclamation area may be counted as a member of the population of that area only.

Section III. Tax Rates

Article 15. The tax rate on the summer levy of the agricultural tax (exclusive of additional local taxation) shall be applied in accordance with the following provisions:

- 7 -

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

a. The tax rate shall be computed on the basis of taxable mou per household. The number of mou yielding a summer harvest shall be determined and the tax computed in accordance with the following table:

| <u>Av Summer Harvest Mou per Person</u> | <u>Tax in Catties</u> |
|---|-----------------------|
| 0.7 or less | Total exemption |
| 0.71 - 0.80 | 3.0 |
| 0.81 - 1.00 | 4.0 |
| 1.01 - 1.20 | 5.0 |
| 1.21 - 1.50 | 6.0 |
| 1.51 - 1.80 | 7.25 |
| 1.81 - 2.10 | 8.5 |
| 2.11 - 2.40 | 9.75 |
| 2.41 - 2.8 | 11.0 |
| 2.81 - 3.2 | 12.25 |
| 3.21 - 3.6 | 13.5 |
| 3.61 - 4.4 | 15.0 |
| 4.41 - 5.2 | 16.2 |
| 5.21 - 6.0 | 18.0 |
| 6.01 - 7.0 | 19.5 |
| 7.01 - 8.0 | 21.0 |
| 8.01 - 10.0 | 22.5 |
| 10.01 - 12.0 | 24.5 |
| 12.01 or more | 26.00 |

b. The output per taxable mou on land yielding a summer harvest shall be fixed at a standard of 80 catties. If a normal yield is less than or exceeds this standard, a proportionate rate decrease or increase of 1.25 percent for every catty above or below the standard shall be applied on the basis of the rate schedule indicated in Article 15a above. Such alterations shall be approved by the special district or municipal authorities concerned, subject to review by the provincial government.

c. If the amount of land to undergo summer harvest is less than 80 percent of the amount stipulated by local authorities, the amount to be harvested shall be registered and the tax computed according to the original tax on the actual amount of land to yield a summer harvest.

d, e, and f. [Same as d, e, and f of Article 14 in previous regulations.]

Article 16. [Same as Article 15 in previous regulations.]

- 8 -

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

Article 17. If operated by the owners, land used for social or religious purposes which yields a summer harvest shall be considered, for tax purposes, as land belonging to an agricultural household; if land used for such purposes is given in rental, remainder of sentence illegible. Tenants of such land shall be considered as the tenants of any other cultivated land.

Article 18. If the landowner does not reside on the land, tax responsibility shall be maintained at the place of residence. If the owner resides in another province, assessment shall be made for one person at the place at which the land is located.

Article 19. Same as Article 17 in previous regulations.

Section IV. Tax Collection

Articles 20 - 23. Same as Articles 18-21 in previous regulations.

Section V. Tax Reductions and Exemptions

Article 24. Persons in the following categories shall be granted a 20-percent reduction in their summer tax. If still unable to pay, such persons may be granted additional reductions or total exemption, as determined by the people and approved by the ch'u government concerned:

a, b, and c Same as a, b, and c in Article 22 in previous regulations.

Article 25. Demobilized veterans and demobilized military workers who served 5 years or more who can offer proof of their service, and members of the militia, civilian workers, and village cadres who suffered injuries in supporting the front, water conservancy, or fighting the enemy which have affected their ability to work, shall be granted a personal exemption of 5 caties of grain in payment of the summer tax (if the amount of reduction exceeds total tax liability, no credit shall accrue to the taxpayer).

Article 26. Same as Article 24 in previous regulations.

Article 27. Tax reductions shall be allowed in the case of flood, drought, insects, hail, and other natural calamities having an adverse effect on harvests, in accordance with the following provisions:

a. The average percentage of production lost per stricken taxable mou shall be computed for the entire household and tax reduction granted accordingly.

b and c. Same as b and c of Article 25 of previous regulations.

Section VI. Rewards and Punishments

Articles 28 - 30. Same as Article 26-28 in previous regulations.

Section VII. Supplementary Provisions

Articles 31 - 33. Same as Articles 29-31 in previous regulations.

- E N D -

- 9 -

CONFIDENTIAL

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